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Programme budget for the biennium 2002-2003

Implementation of projects financed from the Development Account

Report of the Secretary-General**

Summary

The General Assembly, in its resolution 56/237, decided to continue to keep the implementation of the Development Account under review and requested the Secretary-General to submit a report on the subject to the General Assembly at its fifty-seventh session. The present report has been prepared in response to that request.

* A/57/150.
** The delayed submission is attributed to the extensive consultations required to finalize the report.

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I. Introduction

1. The creation of the Development Account resulted from the implementation of action 21 of the Secretary-General's reform package, presented in his report entitled "Renewing the United Nations: a programme of reform" (A/51/950 and Add. 1-7). The resources for the Account are generated through the Secretariat's efforts to reduce and refocus non-programmatic costs in response to the Secretary-General's call for administrative streamlining.

2. To date, 43 projects have been approved for implementation by the General Assembly, at a total cost of $39,195,000.

(a) Seven projects under the first tranche of the Account were financed in the context of the programme budget for the biennium 1998-1999 (see table I). The proposals for these projects were presented in the report of the Secretary-General on the utilization of the development dividend (A/53/374 and Add.1) and approved by the Assembly in its resolutions 53/220 A of 7 April 1999 and 53/220 B of 8 June 1999; as at 30 June 2002, 69.6 per cent of planned expenditures had been made;

(b) Sixteen projects under the second tranche were financed in the context of the programme budget for the biennium 2000-2001 (see table II). The proposals for these projects were contained in the report of the Secretary-General on projects to be funded from the resources proposed under section 33, Development Account, of the proposed programme budget for the biennium 2000-2001 (A/C.5/54/37), and are referred to in part IV of Assembly resolution 54/249 of 23 December 1999; as at 30 June 2002, 55.9 per cent of planned expenditures had been made;

(c) Twenty projects under the third tranche have been financed in the context of the programme budget for the biennium 2002-2003 (see table III). The proposals for these projects were contained in the report of the Secretary-General on the proposed programme budget for the biennium 2002-2003, section 33, Development Account (A/56/6 (Section 33)), and referred to in part XIII of Assembly resolution 56/254 A of 24 December 2001; as at 30 June 2002, 4.9 per cent of planned expenditures had been made.

3. The projects are aimed at capacity-building, in particular through regional and interregional economic and technical cooperation among developing countries. Projects are executed by member entities of the Executive Committee for Economic and Social Affairs. The Under-Secretary-General for Economic and Social Affairs acts as Programme Manager of the Account.

4. The first tranche focused in particular on the promotion of information technology and related networks. The second tranche emphasized strengthening networks of expertise at the subregional and regional levels The third tranche focused broadly on capacity-building for managing globalization.

5. The General Assembly, in resolutions 53/220 A and 53/220 B, stressed that the implementation of the projects should demonstrate the benefits accruing in building national capacities, in particular in developing countries and also in countries with economies in transition, and that particular attention should be given to the utilization of technical, human and other resources available in developing countries. In addition, the Assembly emphasized that projects should have multiplier effects and that the involvement of several agencies and entities should be sought in their implementation, wherever possible.

6. The General Assembly, in its resolution 56/237 of 24 December 2001, expressed concern at the low implementation rate of projects, and urged a more expeditious and effective rate of implementation. The Assembly requested the Secretary-General to include in his next report the date of commencement, the implementing agency and the anticipated dates of completion of all ongoing projects and to provide explanations for any schedule changes in their completion. The requested information, relating to the first and second tranches of the account is posted on the United Nations Development Account web site, www.un.org/esa/devaccount. Projects under the third tranche were launched only in the first half of 2002. Information on those projects, other than the data contained in the related proposed programme budget fascicle (A/56/6 (Section 33)), is therefore not yet available.

II. Enhancing the management tools of the Account

7. In 2002, there were further improvements in the coordination and management of the Account. Procedures have been elaborated and programmed for the online submission to the Manager of new project proposals, using a special module of the Integrated Management of Documents and Information System (IMDIS). In addition, enhancements have been introduced to capture more information on the progress made in the implementation of project activities and their impact, including through online reporting.

8. In collaboration with the Office of Programme Planning, Budget and Accounts, a pilot interface has been constructed between the Integrated Management Information System (IMIS) and IMDIS to support integrated monitoring of Development Account projects (see section 33 of the programme budget). The interface relies on a regularly scheduled and completely automated procedure for downloading financial data from IMIS that are then presented as part of the project record in IMDIS.

9. The implementation guidelines have been revised to reflect the increasing support provided for the design and monitoring of project implementation through IMDIS and to accommodate the requirements of the project cycle for the fourth tranche of funding.

10. The Executive Committee for Economic and Social Affairs increasingly serves as a collective manager of the Account, in particular by discussing ideas and modalities, encouraging joint projects, reviewing progress made in the implementation of projects and endorsing the theme for the new tranche of funding.

III. Delivery of projects

11. Tables 1, 2 and 3 below provide information on the delivery of projects in terms of expenditure incurred as at 30 June 2002. Substantive progress reports on the execution of individual projects by the relevant entities were received, reviewed and analysed by the Programme Manager.

12. Summaries of the progress reports on all projects under tranches one and two, including the evaluation of their impact, are posted on the Development Account web site, www.un.org/esa/devaccount.

13. The Programme Manager is confident that all projects under the first tranche will be completed by early 2003, at the latest. The Programme Manager of the Account has also reminded the programme managers responsible for the implementation of projects 00/01A, 00/01D, 00/01E, 00/01H, 00/01I and 00/01K of the requirements of paragraph 7 of General Assembly resolution 56/237, in which the Assembly requested the Secretary-General to monitor the implementation rate of the projects, with a view to identifying those projects that were underperforming and the causes. He alerted those programme managers that, unless the performance of the projects were considerably improved, funds might be redeployed from these projects to those that were delivering results.

14. The start-up of the first two tranches of the Development Account was generally slow, to a large extent because of the need to establish the procedures and protocols for its operations. The majority of the projects became operational only in 2000.

15. The conception and design of most of the projects conform to the criteria laid down for the Account. Capacity-building is the main objective of the projects. Several introduce distance learning for specific subjects: this can be cost-effective and have significant multiplier effects compared with more traditional types of learning. In a few cases, the design and the implementation do not lead to a multiplier effect or do not appear to be easily replicable. With few exceptions, projects have set up or support networking and the use of electronic information technology.

16. All projects promote subregional, regional or international cooperation; this is particularly the case for Africa. Similarly, most projects consciously bring together several entities working towards common goals. Several projects have encouraged other multilateral and bilateral donors to become active in the same or a closely related field. Some have clearly succeeded in building capacity, setting up networks and strengthening institutions.

17. Although in their progress reports the executing entities do not systematically cover the origin of the expertise used in project implementation, some have successfully located developing country expertise and

facilitated the exchange of experience and knowledge among such countries.

18. Notwithstanding the scheduling proposed in the original project designs, for the reasons cited above, none of the projects had been completed by the end of 2001.

19. The delay in the launch of projects was due to the need to identify the modalities for project activities on capacity-building that fully comply with the Financial and Programme Planning Regulations and Rules and the criteria established by the Assembly. In some projects, this was compounded by unrealistic programming, so that completion is now foreseen as much as one or two years later than that originally indicated. Another factor has been the multi-country nature of the projects, which adds complexity to their implementation and challenges the capability of the executing entity, especially when staffing is limited. The Programme Manager has reminded the implementing entities of the need to speed up the rate of implementation.

20. With a few exceptions, reporting from the implementing entities has improved over the past year. More quantitative and qualitative indicators are being provided, allowing for more informed judgements on project accomplishments.

21. One project was reformulated because of operational difficulties and funds reprogrammed for a revised set of activities in the same field (i.e. small island developing countries). Consideration is being given to reducing the budgets for others so that the funds may be redeployed to activities which are deemed more likely to achieve and sustain the impact that was originally intended.

IV. Conclusions

22. **While progress has been made towards building capacities and promoting regional and inter-entity cooperation, the sustainability of many of these achievements is yet to be proven. Evidence of ownership of the endeavours by or in the participating countries is at present very limited. For example, capacity has been created and strengthened, but it is not always certain that the newly acquired skills and knowledge are in demand and will be called upon and used by the leadership of the countries and regions. Pilot projects are promising, but their multiplication will only happen if decision makers have the will and funding to make it happen. Conversely, in other instances the institutions that are ready to assume responsibility have been identified.**

23. **Ensuring the sustainability of the impact of regional or interregional projects requires that strong and committed partners take over from the United Nations entity upon project completion. Some of the implementing agencies are very aware of this issue and are addressing it actively; others do not appear to be doing so. The Programme Manager has drawn the attention of all entities to the importance of implanting responsibility and ownership in cooperating partners if full impact is to be achieved.**

24. **The General Assembly may wish to take note of the present report.**

Table 1

Projects funded from section 34, Development Account, of the programme budget for the biennium 1998-1999,[a] as at 30 June 2002

Project		Implementing office	Approved	Expenditure 1998-1999	Expenditure 2000-2001 as at 31 December 2001	Expenditure 2002-2003 as at 30 June 2002	Total project expenditure	Balance as at 30 June 2002	Percentage implementation by project
			(Thousands of United States dollars)						
98/99A	Promotion of electronic commerce	UNCTAD	1 980.0	305.1	942.9	220.4	1 468.4	511.6	74.2
98/99B	Capacity-building in economic and policy analysis in Africa through the networking of expertise	ECA	2 500.0	649.1	971.4	150.9	1 771.4	728.6	70.9
98/99D	Computer and telecommunication system for international and national drug control	UNDCP	1 100.0	300.2	283.2	83.9	667.3	432.7	60.7
98/99E	Capacity-building and networking for the implementation of the Habitat Agenda in the least developed countries	UN-Habitat	945.0	0.0	620.5	46.0	666.5	278 5	70.5
98/99F	Online network of regional institutions for capacity-building in public administration and finance	DESA	1 525.0	103.5	644.9	248.2	996.6	528.4	65.4
98/99G	Research network for economic and policy analysis	DESA	1 325.0	0.0	1 251.6	19.3	1 270.9	54.1	95.9
98/99H	Activities for capacity-building in developing countries in pursuance of the objectives of Agenda 21, the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit for Social Development, and the Beijing Declaration and Platform for Action	DESA	3 570.0	218.1	1 670.4	270.6	2 159.1	1 410.9	60.5
	Total		**12 945.0**	**1 576.0**	**6 384.9**	**1 039.3**	**9 000.2**	**3 944.8**	**69.6**

Explanatory note: DESA, Department of Economic and Social Affairs, United Nations Secretariat; ECA, Economic Commission for Africa; UN-Habitat, United Nations Human Settlements Programme; UNCTAD, United Nations Conference on Trade and Development.

[a] See General Assembly resolutions 53/220 A and 53/220 B.

Table II

Projects funded from section 33, Development Account, of the programme budget for the biennium 2000-2001,[a] as at 30 June 2002

Project		*Implementing office*	*Approved*	*Expenditure 2000-2001, as at 31 December 2001*	*Expenditure 2002-2003 as at 30 June 2002*	*Total expenditure*	*Balance as at 30 June 2002*	*Percentage implementation by project*
			(Thousands of United States dollars)					
00/01A	Capacity-building in strategic planning and management of natural resources in Asia and the Pacific	ESCAP	738.0	119.3	45.5	164.8	573.2	22.3
00/01B	Training programme on addiction rehabilitation and drug prevention in the workplace for Asia and the Pacific	UNDCP	549.7	130.0	182.9	312.9	236.8	56.9
00/01C	Capacity-building to improve water management and accelerate investments in the water sector	DESA/ regional commissions	1 650.0	841.3	0.1	841.4	808.6	51.0
00/01D	Capacity-building in decision-making for sustainable development	DESA	300.0	19.0	0.0	19.0	281.0	6.3
00/01E	Capacity-building for promoting gender equality in the African countries	DESA	1 241.0	270.9	18.1	288.0	953.0	23.2
00/01F	Rational and efficient use of energy and water resources in Central Asia	ECE/ESCAP	1 750.0	1 071.3	205.0	1 276.3	473.7	72.9
00/01G	Strengthening regional capacities for statistical development	DESA	1 500.0	746.3	325.4	1 071.7	428.3	71.4
00/01H	Capacity-building and institutional development for equalization of opportunities for persons with disabilities	DESA	940.7	198.3	116.4	314.7	626.0	33.5
00/01I	Enhancing the economic and social development policy capabilities in the countries of Latin America and the Caribbean	ECLAC	325.4	74.6	33.2	107.8	217.6	33.1
00/01J	Development of a collaborative framework for integrated environmental assessments and reporting for West Africa	UNEP	642.2	120.6	298.5	419.1	223.1	65.3
00/01K	Sustainable waste management for African countries	UN-Habitat	500.0	104.7	48.0	152.7	347.3	30.5
00/01L	Urban pollution of superficial and groundwater aquifers in Africa	UNEP/ECA	250.0	138.5	22.0	160.5	89.5	64.2
00/01M	Capacity-building and policy networking for sustainable resource-based development	UNCTAD/ UNU	498.0	175.7	166.3	342.0	156.0	68.7
00/01N	Enhancing the capacity of developing countries with economies in transition for effective integration in the multilateral trading system	UNCTAD	900.0	755.6	85.6	841.2	58.8	93.5

Project		Implementing office	Approved	Expenditure 2000-2001, as at 31 December 2001	Expenditure 2002-2003 as at 30 June 2002	Total expenditure	Balance as at 30 June 2002	Percentage implementation by project
			(Thousands of United States dollars)					
00/01O	Capacity-building for debt sustainability analysis	UNCTAD	500.0	276.9	52.5	329.4	170.6	65.9
00/01P	Capacity-building for diversification and commodity-based development	UNCTAD	900.0	641.6	82.2	723.8	176.2	80.4
	Total		**13 185.0**	**5 684.6**	**1 681.7**	**7 365.3**	**5 819.7**	**55.9**

Explanatory note: DESA, Department of Economic and Social Affairs, United Nations Secretariat; ECA, Economic Commission for Africa; ECE, Economic Commission for Europe; ECLAC, Economic Commission for Latin America and the Caribbean; ESCAP, Economic and Social Commission for Asia and the Pacific; UNCTAD, United Nations Conference on Trade and Development; UNDCP, United Nations International Drug Control Programme; UNEP, United Nations Environment Programme; UN-Habitat, United Nations Human Settlements Programme; UNU, United Nations University.

[a] See A/C.5/54/37 and General Assembly resolution 54/249, paras. 190-200.

Table III
Projects funded from section 33, Development Account, of the programme budget for the biennium 2002-2003,[a] as at 30 June 2002

Project		Implementing office	Approved	Expenditure 2002-2003 as at 30 June 2002	Balance as at 30 June 2002	Percentage implementation by project
			(Thousands of United States dollars)			
02/03A	Capacity-building for the promotion of capital markets in Africa	ECA	905.0	0.0	905.0	0.0
02/03B	Capacity-building for research on emerging population issues in developing countries	DESA/ECA/ESCAP	510.0	0.0	510.0	0.0
02/03C	Capacity-building in trade facilitation and electronic business in the Mediterranean	ECE/ESCWA/ECA	600.0	0.0	600.0	0.0
02/03D	Capacity-building of national machineries for governance with gender perspective in Latin America and the Caribbean	ECLAC/DESA	850.0	35.1	814.9	4.1
02/03E	Urban poverty: an action-oriented strategy for urban governments and institutions in Latin America and the Caribbean	ECLAC/UN-Habitat	800.0	6.2	793.8	0.8
02/03F	Strengthening of networking of institutions and experts to accelerate the development of social and environmental statistics in the countries of Latin America and the Caribbean	ECLAC/DESA	825.0	4.5	820.5	0.5
02/03G	Capacity-building of member States of the Economic and Social Commission for Asia and the Pacific for managing globalization	ESCAP/UNCTAD	950.0	0.0	950.0	0.0
02/03H	Networking of expertise on foreign direct investment in the member States of the Economic and Social Commission for Western Asia	ESCWA/UNCTAD	480.0	0.0	480.0	0.0
02/03I	Capacity-building in developing interregional land and land-cum-sea transport linkages	ECE/ESCAP/ ECLAC/ECA/ ESCWA	1 250.0	0.0	1 250.0	0.0
02/03J	Capacity-building on key issues on the international economic agenda	UNCTAD	960.0	139.9	820.1	14.6
02/03K	Capacity-building in developing countries to attract and benefit from international investment	UNCTAD	950.0	62.8	887.2	6.6
02/03L	Building capacity through training in dispute settlements in international trade, investment and intellectual property	UNCTAD	420.0	96.5	323.5	23.0
02/03M	Institutional capacity-building for competition law policy	UNCTAD	410.0	8.9	401.1	2.2
02/03N	Improving participation and capacity-building in the implementation of certified environmental management systems and member States in West Asia	UNEP	230.0	0.0	230.0	0.0

Project		Implementing office	Approved	Expenditure 2002-2003 as at 30 June 2002	Balance as at 30 June 2002	Percentage implementation by project
			(Thousands of United States dollars)			
02/03O	Renewable energy for information and the provision of communication services in rural areas of developing countries	UNEP/ITU	260.0	0.0	260.0	0.0
02/03P	Drug abuse prevention in the workplace and the family in Southern Cone countries	UNDCP	450.0	0.0	450.0	0.0
02/03Q	Strengthening of a network of focal points on gender awareness in Africa and West Asia	DESA/ECA	625.0	0.0	625.0	0.0
02/03R	Networking and capacity-building for poverty alleviation through community-based environment in the areas affected by environmental degradation	DESA	370.0	0.0	370.0	0.0
02/03S	Design and implementation of national cleaner technology strategies	DESA	400.0	74.3	325.7	18.6
02/03T	Strengthening statistical capacity in the region of the Economic and Social Commission for Western Asia	DESA/ESCWA	820.0	207.9	612.1	25.4
	Total		**13 065.0**	**636.1**	**12 428.9**	**4.9**

Explanatory note: DESA, Department of Economic and Social Affairs, United Nations Secretariat; ECA, Economic Commission for Africa; ECE, Economic Commission for Europe; ECLAC, Economic Commission for Latin America and the Caribbean; ESCAP, Economic and Social Commission for Asia and the Pacific; ESCWA, Economic and Social Commission for Western Asia; ITU, International Telecommunication Union; UNCTAD, United Nations Conference on Trade and Development; UNDCP, United Nations International Drug Control Programme; UNEP, United Nations Environment Programme; UN-Habitat, United Nations Human Settlements Programme.

[a] See A/56/6 (Sect. 33) and General Assembly resolution 56/254 A.